



Charles River Reports Strong Growth in Sales and Earnings

August 2, 2001

WILMINGTON, Mass.--(BW HealthWire)--Aug. 2, 2001--Charles River Laboratories International, Inc. (NYSE:CRL), reported today that sales increased 51% in the second quarter of 2001 compared to the second quarter of 2000. Sales for this year's second quarter were \$116.8 million, a \$39.4 million increase over second quarter 2000 sales of \$77.4 million. Net income before extraordinary items was \$10.6 million for the second quarter, or \$0.24 per diluted share, an increase of 70% compared to \$0.14 per diluted share in the second quarter of 2000 (excluding a one-time, non-cash favorable tax adjustment of \$0.20). Fully-diluted earnings per share (EPS) for the second quarter will exceed by \$0.03 the consensus First Call estimate of \$0.21 per share.

The Company experienced strong revenue and earnings growth in the second quarter of this year, in both its biomedical products and services and research model segments. While strategic acquisitions continued to contribute significantly to results, the Company also experienced solid organic growth. On a pro forma basis (adjusted to give effect to acquisitions completed earlier this year), and before unfavorable currency effects, sales increased 17% in the second quarter.

Commenting on these results, James C. Foster, Chairman and CEO, said, "We're very pleased with our results for the second quarter. This is the fourth consecutive quarter since our June 2000 IPO in which we've experienced excellent revenue growth, while maintaining our commitment to strong profitability. Our two strategic acquisitions completed in the first quarter (Primedica and PAI) performed exceptionally well, both in terms of growth and profitability. This performance reflects a successful integration process, driven by multiple synergies. Our other drug discovery and development services also evidenced continued solid growth, as the demand from the biomedical research community for high quality outsourcing services remained strong. Our biomedical products and services segment now comprises nearly 60% of our revenues, reflecting a great deal of progress in adding and expanding value-added services that leverage our core research model capabilities."

Mr. Foster continued: "While our biomedical products and services segment continues to grow dynamically, we've also seen very good organic growth in our research models segment, particularly in the US. Our longstanding leadership position in this unique market continues to advance steadily. Our commitment to being the technology leader is evidenced by our investment in R&D collaborations in animal cloning and transgenics, as well as our acquisition of new disease models used in diabetes and cardiovascular research. We've also recently entered into a strategic alliance with The Jackson Laboratory to breed and distribute its genetically unique mouse models in Europe and Asia. We expect that these new technology platforms, products and strategic relationships will allow us to continue to grow and expand our very profitable research models business."

Continuing his remarks, Mr. Foster indicated: "We were delighted to complete in July our second follow-on equity offering this year, a \$250 million transaction that raised \$55 million in net proceeds for the Company. These proceeds will be used for debt repayment and for general corporate purposes. We continue to be optimistic about the strength of our markets, and the long-term trends in pre-clinical drug discovery and development, including outsourcing. We believe we have and will continue to gain share in the markets for products or "tools" as well as services that support global biomedical research activities. At the same time, we plan to expand our presence in these markets through new technology platforms and targeted strategic acquisitions."

The following forward-looking guidance is subject to the qualifications set forth below, and is based on current exchange rates. For the third quarter of 2001, Charles River expects sales in the range of \$114 million to \$117 million, an increase of more than 50% over the prior year. The Company expects fully diluted earnings per share before extraordinary items in the range of \$0.21 to \$0.22, an increase of more than 75% over the prior year. For fiscal 2001, the Company projects earnings per share in the range of \$0.85 to \$0.87, compared to the First Call consensus for 2001 EPS of \$0.77, or \$0.80 when adjusting for actual second quarter results. For 2001, with the benefit of acquisitions completed in the first quarter, Charles River estimates revenues will exceed \$445 million, or more than 45% growth on a reported basis compared to 2000 revenues.

Mr. Foster is scheduled to appear on the cable television network CNBC on Friday morning, August 3, at approx. 7:50 a.m. (EDT), to discuss the performance of the Company in the second quarter.

Charles River Laboratories International, Inc. is a holding company for Charles River Laboratories, Inc. Both companies are publicly registered, and each files separate financial statements and reports with the SEC. The income statement and balance sheet information provided below reflect the financial results for Charles River Laboratories International, Inc., which differ from those of Charles River Laboratories, Inc. as to certain balance sheet items.

Charles River Laboratories, Inc., based in Wilmington, Massachusetts, is a leading provider of critical research tools and integrated support services that enable innovative and efficient drug discovery and development. The Company is the global leader in providing the animal research models required in research and development for new drugs, devices and therapies. The Company also offers a broad and growing portfolio of biomedical products and services that enable customers to reduce cost, increase speed, and enhance productivity and effectiveness in drug discovery and development. Charles River's customer base spans over 50 countries, and includes all of the major pharmaceutical and biotechnology companies, as well as many leading hospitals and academic institutions. The Company operates more than 76 facilities in 15 countries worldwide.

This document contains "forward looking statements." Such statements involve a number of risks and uncertainties that could cause actual results to differ materially from those stated or implied by the forward looking statements, including acquisition integration risks, R&D risks, special interest groups, foreign exchange, contaminations, industry trends, new displacement technologies, outsourcing trends, USDA and FDA regulation, changes in law, continued availability of products and supplies, personnel and control, and others that are described in the Risk Factors contained in Company's Registration Statement of Form S-3, as filed on July 19, 2001, and as may be updated from time to time in the Company's periodic SEC filings. The Company disclaims any intent or obligation to update forward looking statements, and otherwise claims the "safe harbor" protections for forward looking statements afforded under The Private Securities Litigation Reform Act of 1995.

As previously announced, investors can access a live webcast of the second quarter earnings conference call through a link that will be posted on the investor page of the Charles River Laboratories website, <http://www.criver.com>. The conference call begins on Friday, August 3, at 8:30 a.m. Eastern Standard Time and will be available thereafter for one week for replay.

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
(dollars in thousands except for per share data)

	Three Months Ended		Six Months Ended	
	June 30, 2001	June 24, 2000	June 30, 2001	June 24, 2000
Total Net Sales	\$116,820	\$77,430	\$215,851	\$149,934
Cost of products sold and services provided	73,050	45,853	135,419	90,445
Gross margin	43,770	31,577	80,432	59,489
Selling, general and administrative	17,285	12,427	32,745	24,242
Amortization of goodwill and intangibles	1,993	937	3,821	1,802
Operating income	24,492	18,213	43,866	33,445
Interest income (expense)	(5,594)	(13,008)	(12,299)	(25,530)
Other income (expense)	(122)	260	433	230
Income before taxes, minority interests, earnings from equity investments and extraordinary item	18,776	5,465	32,000	8,145
Provision for income taxes	7,659	(2,864)	13,214	(396)
Income before minority interests, earnings from equity investments and extraordinary item	11,117	8,329	18,786	8,541
Minority interests	(652)	(462)	(1,216)	(679)
Earnings from equity investments	136	107	219	748
Net income before extraordinary item	\$10,601	\$7,974	\$17,789	\$8,610
Extraordinary loss, net of tax benefit of \$852 and \$980	(1,583)	--	(1,820)	--
Net income	\$9,018	\$7,974	\$15,969	\$8,610
Earnings per common share before extraordinary item				
Basic	\$0.26	\$0.40	\$0.46	\$0.43
Diluted	\$0.24	\$0.34	\$0.42	\$0.37
Earnings per common share after extraordinary item				
Basic	\$0.22	\$0.40	\$0.42	\$0.43
Diluted	\$0.21	\$0.34	\$0.38	\$0.37
Weighted average number of common shares outstanding				
Basic	40,175,630	19,820,369	38,403,244	19,820,369
Diluted	44,052,166	23,571,555	42,231,654	23,571,555

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(dollars in thousands)

	June 30, 2001	December 30, 2000
Assets		
Current assets		
Cash and cash equivalents	\$ 28,416	\$ 33,129
Trade receivables	87,271	45,949
Inventories	36,607	34,510
Other current assets	9,361	6,149
Total current assets	161,655	119,737
Property, plant and equipment, net	141,807	117,001
Goodwill and other intangibles	89,480	41,893
Deferred tax asset	96,323	105,027
Other assets	27,530	26,950
Total assets	\$516,795	\$410,608
Liabilities and Shareholders' Equity		
Current liabilities		
Current portion of long-term debt	\$ 685	\$ 231
Accounts payable	9,501	10,767
Accrued compensation	20,789	16,997
Other current liabilities	49,488	36,325
Total current liabilities	80,463	64,320
Long-term debt	201,280	201,957
Other long-term liabilities	14,381	14,074
Total liabilities	296,124	280,351
Minority interests	12,453	13,330
Total shareholders' equity	208,218	116,927
Total liabilities and shareholders' equity	\$516,795	\$410,608

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